

REQUEST FOR QUALIFICATIONS
For an Affordable Senior Housing Development Project
City of Lafayette

July 25, 2006

Introduction: This is a REQUEST FOR QUALIFICATIONS to develop an affordable senior housing project on a site within the City of Lafayette's Redevelopment Project Area. The City's key objectives for the project include community compatibility; affordability targeted to seniors in the 80% of median income level or below; high quality design and materials; sustainable design; and long-term affordability. The City is seeking qualifications from developers who demonstrate strong experience with affordable housing development and show a collaborative approach to working with the community.

City of Lafayette: Extensive information on the City can be found on the City's web site, located at www.ci.lafayette.ca.us. A number of important City documents, including the Housing Element of the General Plan, may be found on the Planning Division page of the web site.

Project Intent: The objective of the project is to address the need for affordable senior housing identified both in the Housing Element and the Redevelopment Agency's Implementation Plan. The City's Implementation Plan states that the mission of the housing program is to preserve and promote the high quality of Lafayette's affordable housing stock and implement the housing element of the City's general plan. Program H1 is given the highest priority and calls for the construction and/or rehabilitation of senior living facilities, and provide incentive programs to construct new senior units.

Sites: As part of the General Plan and Housing Element requirements, the City has identified a number of sites with a potential for redevelopment, primarily within the City's Redevelopment Project Area. These sites have been appropriately zoned for the proposed use but are not under the current control of the City or the Redevelopment Agency and have not been reviewed for their feasibility in developing new housing. These sites may contain a variety of constraints (topographical, access, multiple ownership, etc.) that may preclude them from multifamily housing development at this time. Additionally, while some sites will be suitable for mixed use development, other sites will only be appropriate for housing development. Any parties interested in submitting a response to this RFQ may wish to confer with City staff for further information regarding sites.

Development Program: Below are listed key elements of a development program to be applicable to whatever site is ultimately selected.

- Density and other development standards. In regards to density and other aspects such as height and setbacks, refer to the parameters of the proposed Zoning Ordinance revisions. Although developers will be expected to make every effort to develop projects within the guidelines of all applicable City documents and policies, the City is keenly aware that because of topographical,

site development, financial and other considerations, some flexibility may be required to ensure that a project is feasible.

- Community compatibility. The development will be expected to be compatible with the scale and character of Lafayette and the community context. Careful evaluation of the neighborhood context is an important goal for the City. Additionally, the City will consider projects that include mixed use development in order to create viable commercial development serving the neighborhood surrounding and including the proposed residential component.

- Tenure type. The project shall be targeted to affordable independent living housing for seniors. The City will consider a variety of project types, including mixed income developments. The proposed project must meet the requirements of California Redevelopment Law with respect to the provision of affordable senior housing.

- Income levels. The project shall target households earning lower incomes, consistent with the requirements of California Redevelopment Law. The City's goal is to pursue those projects that propose the lowest affordability levels. The City will also consider projects that include mixed income housing development but its subsidy will be limited that the portion that is restricted to lower-income households.

- Age restrictions and amenities. The project shall be age-restricted for seniors in accordance with all applicable laws. The City places significant emphasis on service-enriched projects to provide the senior residents with a variety of services including, but not limited to, transportation services, on-site recreational activities, learning facilities, etc.

- Sustainability. The City places significant emphasis on sustainability and will pursue projects that exemplify cost-effective techniques to achieve this objective. This should include site planning that responds to solar considerations, storm water retention and flow and other environmental factors, use of 'green' building materials, use of energy-efficient appliances, low-water use landscaping, and building design and operational factors that minimize energy use and resource consumption as well as avoiding indoor health impacts. It is the City's intention that the eventual design for this project will achieve a "bronze" level of sustainability, either through actual certification or self-certification. See the Army Corps of Engineer's Sustainable Project Rating Tool (SPiRiT) at <http://www.usace.army.mil/inet/usace-docs/eng-tech-ltrs/etl1110-3-491/a-c.pdf>.

- Design features. The City places significant emphasis on high quality design and materials. The City is open to the use of non-traditional or recycled building materials that comply with the Building Code. In addition, a major emphasis is placed on features that promote community within the development, and in relation to the neighborhood context. Provision of community space or other features should be considered. Further, the development should foster connections with the neighborhood rather than being separated or isolated. The City also wishes to promote design that creates accessible and adaptable units.

- Long-term affordability. Mechanisms will be required to be in place that would ensure long-term affordability, consistent with all applicable laws.
- Management. Demonstrated experience with affordable housing development is a critical element. It will be essential for developers to show financial and organizational capability, have proven experience with community processes, with obtaining financing, with construction management, and with ongoing management. A narrative shall be provided that addresses these issues.
- Community process. In addition to any required permit processing procedures and hearings, the City expects the selected developer to perform outreach to the site neighborhood to develop understanding of neighbor issues, to promote an open communication process, and to develop a final project proposal that responds to concerns. A narrative should be provided that describes the planned approach to this issue, as well as experience that the developer has had with this type of process.

Density Bonus: Consistent with current interpretations of State density bonus law, the City's policy prohibits developers from seeking a density bonus for units provided in compliance with the inclusionary requirements for affordable housing in any Redevelopment Project Area. In addition, the policy prohibits developers from seeking a density bonus in any other City-enacted mandatory inclusionary housing program areas. If, however, a developer wishes to propose additional affordable units above and beyond what is required in either the Redevelopment Project Area or in any City-enacted mandatory inclusionary housing program area, developers will be permitted to request a density bonus for the voluntary affordable units proposed above the required affordable units.

City Financial Participation and Incentives. The City will consider requests for funding assistance in accordance with local policies and all applicable laws. The City wishes to use its financial resources in a cost-effective manner, and to leverage its funds as necessary with funding provided from other sources. The following uses are authorized Redevelopment Agency Set-Aside Tax Increment Funds ("20% Funds") expenditures, as adapted from the California Redevelopment Association:

- Acquisition of real property or building sites;
- Onsite or offsite improvements, if such improvements are part of a program which results in the new construction or rehabilitation of affordable housing, or if the redevelopment agency finds that such improvements are necessary to eliminate a specific condition which jeopardizes the health or safety of low- and moderate-income households;
- Donation of real property to private or public persons or entities;
- Financing insurance premiums during the construction or rehabilitation of properties by government entities or nonprofit organizations to provide lower-income housing;
- New construction or rehabilitation of buildings or structures;

- Acquisition of buildings or structures;
- Provision of subsidies to, or for the benefit of, lower-income households to the extent that these households cannot obtain housing at affordable costs in the private marketplace;
- Development of plans, payment of principal, interest, financing or carrying costs on bonds, loans, advances or other indebtedness to finance low- and moderate-income housing;
- Preservation of the affordability of low- and moderate-income housing units which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates;
- Satisfaction of replacement housing requirements of California Redevelopment Law; and
- Reasonable administrative expenses (including operating support for nonprofit developers of redevelopment agency-assisted housing).

Although approximately \$1.8 million in 20% Funds is potentially available for use as a project subsidy, the Redevelopment Agency may also consider other uses for these funds. It is therefore at the sole discretion of the Agency to determine whether and to what extent this particular project will be assisted with Redevelopment Agency funds. As an incentive to developers, the City offers expedited processing for housing projects that are affordable, and has identified, as part of the General Plan, streamlining the permit process that would result in a faster review time. In addition, the City will consider other incentives and concessions necessary to ensure the financial and development feasibility of the project.

Required Response Elements: Please organize the proposal in the following manner:

- Cover Letter
- Narrative of organization's approach responding to each element of the Agency's program
- Experience of Firm
- Development Team Information
- Project Development Considerations

COVER LETTER (one page maximum)

- Explain why your firm should be chosen for this project.
- Provide a short summary of what your firm would like to accomplish, including the number of units, type of construction and any exceptional conditions which should be considered by the City.
- Explain any funding requested from the City of Lafayette and reason for this request.

NARRATIVE OF ORGANIZATION'S APPROACH RESPONDING TO EACH ELEMENT OF THE AGENCY'S PROGRAM.

- Summarize how the firm will approach this project if selected.
- Respond to each identified major program element in this RFQ.

EXPERIENCE OF FIRM

- Describe the firm's experience in financing affordable housing developments.
 - How many affordable developments with restricted units did the firm complete (to occupancy) between 1995 and the present? (fill in the blank) _____
 - How many developments (with restricted units) are located in: Contra Costa County? _____
The Bay Area? _____ Elsewhere? _____
- Provide detailed descriptions of between two and five recent representative affordable housing developments developed by the firm; provide information on any developments that are in Contra Costa County first. The City is particularly interested in those projects that were developed in densities of approximately 35 units per acre. Please provide the following for each development:
 - Provide interior and exterior photographs of each development for which descriptions are being provided.
 - Provide address(es) and location(s) for any properties that the Selection Committee can tour.
 - Provide financial project pro formas with information on rents, income categories, number and type of units, etc. The pro formas should be examples of actual pro formas submitted to and approved by the local jurisdiction providing funding for the project, as applicable.
 - Provide overall budget, showing source of funds, use of funds, per unit costs, etc.
 - Provide references from public and/or private housing and development agencies (agency, name and title, telephone number).
- Describe the firm's experience in the development and marketing of senior affordable housing projects.
 - How many senior developments with restricted units did the firm complete (to occupancy) between 1995 and the present? (fill in the blank) _____
 - How many developments (with restricted units) are located in: Contra Costa County? _____
The Bay Area? _____ Elsewhere? _____
- Provide detailed descriptions of between two and five recent representative senior housing developments developed by the firm; provide information on any developments that are in Contra Costa County first. The City is particularly interested in those projects that were developed in densities of approximately 35 units per acre. Please provide the following information for each project:
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 - Provide overall budget, showing source of funds, use of funds, per unit costs, etc.

→Provide references from public and/or private housing and development agencies (agency, name and title, telephone number).

- Describe the firm's experience in the management of affordable (senior and other) housing projects.

→How many developments with restricted units are located in:
Contra Costa County? _____ The Bay Area? _____ Elsewhere? _____

- Provide copy of your firm's latest audited annual financial statement (in the case of joint venture between two or more firms, provide the latest annual statement for each partner).

DEVELOPMENT TEAM INFORMATION

- Describe the proposed development entity and identify the members with names, addresses, and phone numbers of key representatives of each entity. Provide relevant qualifications and project specific experience or the principals of the developer team. Identify person or persons with the authority to represent and make legally binding commitments on behalf of the team.
- Provide information on the proposed project architect. Has the developer previously worked with the architect on affordable and/or senior developments? Please identify which projects described above were designed by the proposed architect. **Please note that if your firm is selected for an interview with the selection committee, the proposed project architect will be expected to participate in the interview as well.**
- It is anticipated that substantial public involvement will be required for this project. Provide information on who will be primarily responsible for presenting the proposed project to the community. Has the developer previously worked with this person (or persons) on affordable and/or senior developments? ? Please identify the projects described above for which that individual(s) also served as the primary community liaison. **Please note that if your firm is selected for an interview with the selection committee, the proposed community liaison will be expected to participate in the interview as well.**
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- What individual(s) will be handling the day-to-day project management of the proposed project? Please identify the projects described above for which that individual also served as the primary project manager. **Please note that if your firm is selected for an interview with the selection committee, the proposed project manager with day-to-day responsibilities will be expected to participate in the interview as well.**
- Describe the development team's experience in successfully developing affordable housing on infill sites in cities like Lafayette.

→How many infill developments units are located in:
Contra Costa County? _____ The Bay Area? _____ Elsewhere? _____

- Describe the development team's track record in the design and construction of housing projects within budget and on schedule.
- Describe experience with "green building" development. Provide detailed information about any projects that have achieved a bronze level of sustainability or greater, either through certification or self-certification.
- Identify at least two contacts that have provided the developer with financing of the magnitude required for the proposed development. Provide name and title, company, address and telephone numbers.

PROJECT DEVELOPMENT CONSIDERATIONS

Although precise details on project financing, etc., are not expected at this time, proposals should include basic financial information and address key questions with respect to project approach. In addition to the information requested pertaining to previously developed projects, please provide the following:

- Describe how your firm will determine funding sources to apply for and coordinate the timing of entitlements and construction with funding.
- Provide information on all types of financing proposed and the amount of each that the developer plans to utilize to construct this project, if known.
- Provide narrative regarding expected use of City funds.
- Identify any loans on which the firm has defaulted during the last five years.
- What financial contingency does your firm have should any of the funding sources fail to provide anticipated financing?
- How will the developer address a situation where there has been a substantial increase in development costs? Similarly, have there been situations in which there was a substantial *decrease* in costs, and how was that addressed?
- Should the Selection Committee select your firm for this project, what approach will your firm take in terms of moving ahead with site selection? What steps would be involved and what milestones would be achieved within what timeframe?
- Please provide overall project milestones and sample timeline.

Selection Process/Criteria: The selection process will involve several phases.

Phase One: A review team will evaluate developer submittals. In addition to staff, this team will likely include members of the Redevelopment Agency board and members of the Senior Housing Task Force. The initial review will determine conformance to submission requirements and whether proposals meet minimum criteria established. Review will include the developer's acceptance of RFQ terms and completeness of submissions.

Experience in development of comparable projects will be considered and as will demonstrated ability of the development team to deliver a quality project.

Phase Two: Interview of most qualified applicants.

Phase Three: Evaluation team will check references given and may visit sites developed.

Phase Four: At this phase, the City may request additional information from the most qualified developers. The review team will then make a selection recommendation to the full Agency. An initial agreement between developer and City or its assignee will be executed.

Phase Five: Selected developer will work with City to identify the proposed site for the project, and assist in gaining site control.

Phase Six: Selected developer will then produce more detailed documentation of the proposed development in terms of the design and projected affordability mixes. In addition, the developer will provide project financing plan, to be reviewed by a panel of experts selected by the City to determine project feasibility.

Phase Six: Agreed-upon loan funds from the City will be reserved for this project for a specific amount of time. The City will enter into exclusive negotiations leading to a development agreement. When the developer meets all conditions of the agreement, City financial documents will be executed.

Evaluation Criteria for Qualifications: Submittals will be evaluated based upon the following criteria:

- Completeness of the proposal relative to RFQ requirements.
- Responsiveness to the City's development program.
- Demonstrated experience of the developer in the successful development, long-term operation and economic performance of urban infill, affordable housing projects of comparable size, scale and complexity.
- Ability of the developer to implement high quality affordable housing development projects on time and at budget.
- Prior experience and success in marketing and programming for the use proposed by the Agency.
- The developer's proven ability to access funding resources to develop and complete projects of comparable or larger size.
- The quality of the architectural aspects of the developer' previous projects.
- The responsiveness of previous projects to neighborhood compatibility issues, access/circulation, integration of sustainable materials and approaches, and aesthetics.
- Experience in working with the public sector in public/private real estate development projects, willingness to engage in public outreach efforts to affected residents, property owners and to the local business community, pro-active plan to engage with local community in the development review process.
- Establishment of clear lines of responsibility within the developer team on which the Agency can rely during negotiations and implementation of the project.

- Other factors as appropriate.

Notice to Developers: This REQUEST FOR QUALIFICATIONS represents the initial step in soliciting proposals from qualified developers. Responses to this RFQ should demonstrate the developer's specific expertise in developing a quality-housing product within the scope that the City is proposing.

The Agency will designate a project manager to work closely with the developer during the development process, including permitting and public review. The project manager will help to coordinate with all City departments and applicable City commissions.

This RFQ and the selection process shall in no way be deemed to create a binding contract or agreement of any kind between the City and any candidate. All legal rights and obligations between the successful candidate, if any, and the City will come into existence only when an Agreement is fully executed by the parties, and the legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the agreement and any other documents specifically referred to in that agreement and executed by the parties.

Each candidate submitting a response to this RFQ agrees that the preparation of all materials for submittal to the City and all presentations are at the candidate's sole cost and expense, and the Agency shall not, under any circumstances, be responsible for any costs or expenses incurred by the candidate. In addition, each candidate agrees that all documentation and materials submitted with a proposal shall remain the property of the City.

Submittals are public records subject to disclosure under the Public Records Act. Required financial data should be submitted in a separate transmittal. The City will attempt to protect such financial data from disclosure. The City reserves the right to accept or reject any or all proposals and to issue a new RFQ at any time.

Hold Harmless: At and from the date hereof, the applicant agrees to defend, indemnify, and hold the City of Lafayette, its Redevelopment Agency and Planning Department harmless from any and all claims or lawsuits that may arise from the applicant's activities under the provision of this proposal, that are attributable to the negligent or otherwise wrongful acts or omissions, including breach of specific contractual duties of the applicant or of the applicant's independent contractors, agencies, employees or delegates.

Material Requested: Interested developers must submit ten (10) copies of their proposal with all required information. The proposal must be submitted in a sealed envelope by the close of business (5pm) on September 29, 2006. Please submit to:

Ms. Niroop Srivatsa, Planning and Building Manager
City of Lafayette
3675 Mt. Diablo Blvd.
Lafayette, CA 94549

Late responses will not be accepted unless waived or modified by the City, at its sole discretion. Facsimile or electronic transmissions of proposals will not be accepted. The City, following review of the initial submission, may request additional information.

Attachments:

1. List of potential sites for a senior affordable housing project
2. Fee schedule